

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3160

[Circular No. 2538]

**Onshore Oil and Gas Order No. 1;
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases****AGENCY:** Bureau of Land Management,
Interior.**ACTION:** Final rulemaking.

SUMMARY: This final rulemaking revises Notice to Lessees and Operators of Federal and Indian Onshore Oil and Gas Leases No. 6 (NTL-6) and redesignates it as Onshore Oil and Gas Order No. 1 under 43 CFR 3164.1. The Order supplements requirements of 43 CFR Part 3160 relating to the approval of oil and gas well operations. The rulemaking will lessen the regulatory burden by eliminating or modifying the provisions of NTL-6, thereby minimizing costs and delays in the processing of applications for permit to drill without adversely affecting the ability of the Federal Government to protect the environment. The final Order also reflects changes resulting from the consolidation of all onshore mineral leasing and operational functions in the Bureau of Land Management.

DATE: Effective November 21, 1983.**ADDRESS:** Director (500), Bureau of Land
Management, 18th & C Streets, NW.,
Washington, D.C. 20240.**FOR FURTHER INFORMATION CONTACT:**
Mr. Gerald R. Daniels (202) 653-2134, or
Mr. Stephen H. Spector (202) 653-2147.

SUPPLEMENTARY INFORMATION: The Minerals Management Service (MMS) published the Order as proposed rulemaking on December 3, 1982 (47 FR 54462). Comments were invited for 60 days, ending February 1, 1983. There were over 40 separate comments received, including 19 from oil and gas operators, 2 from oil and gas associations, 1 from a State government, 1 from an organization representing several Indian tribes, 1 from an environmental interest group on behalf of 7 environmental groups, and the remainder from various Federal Agencies and from other offices within the Department of the Interior.

The Secretary of the Interior has transferred to the Bureau of Land Management (BLM) all duties related to Federal and Indian mineral leases formerly exercised by MMS, except for those related to revenue accountability (see Secretarial Order No. 3087, December 3, 1982, as amended February

7, 1983, and published in the *Federal Register* of March 2, 1983, 48 FR 8983). As part of the implementation of S. O. 3087, the applicable portions of the operating regulations formerly in Title 30 have been transferred to Title 43 of the Code of Federal Regulations (48 FR 36582).

This rulemaking is to convert the current NTL-6, which was issued in 1976 (41 FR 18116), to an Order promulgated under the authority of 43 CFR 3164.1 formerly 30 CFR 221.14 and, at the same time, to redefine and to describe more clearly the requirements for filing and processing applications for permits to drill (APD). The major changes include some modifications in the previously required content of the supporting documentation to accompany the APD, the inclusion of alternative procedures by which industry may initiate the APD process, and a reduction in the processing and review time now required in most instances. The result will be to minimize costs and delays in the processing of most APD's for both the Government and industry through the elimination of unnecessary, burdensome, and counterproductive portions of NTL-6, while assuring that the objectives of the National Environmental Policy Act of 1969 and other applicable laws and regulations are met. To this end, the comments received as a result of the proposed rulemaking and the Notice of Intent, published April 16, 1982 (47 FR 16426), as well as several studies made of the existing APD processing procedures over the past 2 years have been analyzed.

It should be noted that the basic requirements for approval and the time frame for processing are not established by this Order. The factors which must be addressed by the applicant and the safety, health, and environmental concerns to be considered by the Government, as established by NTL-6, basically remain unchanged. The time frame for APD processing was established by 43 CFR 3162.3-1, formerly 30 CFR 221.23, which became effective November 26, 1982 (47 FR 47758). The purpose of this Order is to supplement established requirements and to provide lessees and operators with sufficient guidance to enable preparation of APD's. This will also enable the Bureau of Land Management to consider the APD's more expeditiously.

The comments received as a result of the publication of the proposed rulemaking ranged from overall support for the proposed modifications of NTL-6 to basic disagreement with changes included in the proposed rule as well as with the earlier final rulemaking

covering 30 CFR Part 221 in its entirety, redesignated as 43 CFR Part 3160. A number of commenters proposed several additional modifications, and, where these suggestions improved clarity while not adversely affecting the intended result, the recommendations were adopted.

Two commenters requested that the Order be republished as proposed rulemaking to reflect the merger of all onshore minerals operational responsibilities into BLM. In reviewing these requests, the Department weighed the extent to which the proposed Order required modification due to the merger against the need for completion of the rulemaking process. It was concluded that these operational responsibilities, although now residing in a different organizational entity, remain basically unchanged by the merger and, moreover, that the merger will enhance the opportunity of fulfilling the objective of streamlining the procedures for the processing of APD's. Therefore, delaying final implementation by republication is considered unnecessary.

A second general comment concerned the publication of this and subsequent Orders in the annual Code of Federal Regulations (CFR). In the effort to design a system to replace the existing NTL's, one option considered when the operating regulations were revised last year was to expand the regulations to include all instructions that the NTL's currently provide. This approach was rejected because the basic policy guidelines are contained in the regulations, while the nature and complexity of supplemental instructive material contained in NTL's must be revised from time to time to reflect changed circumstances. A decision was also made at that time to convert all nationwide NTL's to Orders. However, it was recognized that a complete listing of all such Orders should be available to lessees and operators for convenient reference. Therefore, it was determined to include in the operating regulations at 43 CFR 3164.1(b) a table of all onshore Orders with information as to the subject matter, effective date, **Federal Register** reference, and the predecessor document(s). This provides easy reference, while not making the operating regulations unduly cumbersome. The table will be updated as each final Order is issued.

A third general comment concerned the failure to provide specific procedures for review and approval of APD's by both State agencies and Indian lessors. With regard to the various States, it is common practice for most to require the filing and approval

of APD's, without regard to mineral ownership status. However, where appropriate, the States also will be given an opportunity for input into the Federal APD process. With regard to exploration and development of Indian tribal and allotted lands, the leasing regulations contained in Title 25 of the CFR provide for approval by the "supervisor," who is the predecessor of the authorized officer contained in this Order. Any requirement for additional approval of operations by or on behalf of the Indian lessor will be addressed by the Bureau of Indian Affairs (BIA) as a part of the APD review process. In addition, the proposed Order contained a provision under section VII which called for the operator to obtain agreement from an Indian or other private surface owner as to surface protection and rehabilitation and/or damages. That provision is retained in the final Order. A provision is inserted which allows approval of operations upon the posting of a bond when surface owner agreement cannot be obtained. In response to the comments received, a change has been made to the Surveying and Staking section (III.A.) to also require the lessee/operator to make arrangements with BIA and the Indian owner prior to entry upon the land for the purpose of surveying and staking.

The following specific comments and responses thereto are listed under the section of the proposed Order to which they relate. Sections which received no comments or only editorial suggestions are not listed.

Accountability (Section I)

The State, which provided comments on behalf of several of its agencies, recommended that this section be modified to include conformance with applicable State laws. The section is modified to include conformance with State and local laws, where applicable. In addition, a sentence has been added to clearly indicate that the lessee and operator are responsible for obtaining any other Federal, State, or Indian approval which may be required prior to commencing operations.

Special Situations (Section II)

A few commenters thought that the exceptions to the prior approval requirement for surveying and staking well locations were too limited. They argued that nonsurface disturbing activities such as "archaeological surveys" should be permitted prior to approval. This concept has been accepted. However, instead of the recommended language the phrase "cultural resource inventories" has been used because it more correctly describes

the excepted activity. Several commenters also stated that the requirement for a surface use plan, in those cases where Federal or Indian lands are to be crossed by access roads, appeared to be too broad. They suggested that plans submitted should cover only the Federal or Indian portion of the access road and be provided only in the case of new construction, or reconstruction. As proposed, the provision could have been interpreted as broadly as the commenters suggested; therefore, it has been revised.

Drilling Operations (Section III)—Surveying and Staking (A)

In response to comments by the Department of Defense Task Force for Development of Mineral Leasing Policy on Defense Lands, this section has been modified to exclude lands under Defense jurisdiction from those that may be surveyed and staked without advance approval. This change is made primarily for safety and security reasons. In addition, language has been added to strongly encourage applicants to notify the appropriate office of the involved surface managing agency in advance of surveying and staking; specific examples are cited of conditions that could delay the process if early notification does not occur.

One industry commenter suggested that BIA should be included as a party to be contacted for access arrangements on Indian lands. This change has been made. Commenters thought that the surveying and staking provisions required either too much or too little detail. One operator considered the specifics required to be burdensome. However, this comment was not prevalent. The Order provides the minimum staking requirements necessary to permit a proper evaluation of potential impacts of subsequent surface disturbing activities without being unduly burdensome. In contrast, some of the Government commenters thought operators should be required to stake all potential cuts and fills along access roads. The proposed Order required only that the center line of new access roads be staked. No change was made, since it was concluded that the potential cuts and fills should be evident during the onsite inspection. The final Order does require, however, that cuts and fills on the proposed location be staked.

A few commenters expressed concern that the present practice of using a Preliminary Environmental Review (PER) had not been included in the proposed Order. While the PER is not retained by name as a separate and distinct process, the concept has been

utilized in designing the Notice of Staking (NOS) option. This process should prove more efficient for both industry and the Government while utilizing significant features of the prior PER procedure. Operators are strongly encouraged to notify surface managers at the earliest possible stage, and no significant surface disturbing activities will be allowed prior to appropriate authorization.

Material To Be Filed (B)—Notice of Staking (1)

The NOS option was developed from an industry proposal. Thus, there was considerable support for its use. Some commenters suggested it should be used to the exclusion of the existing APD process. However, because the Order provides for two alternative procedures for submission of the required information, operators can utilize the process best suited to their needs.

Several commenters recommended that the provision concerning surface access for surveying and staking should be expanded to include archeological surveys. This concern is addressed under "Special Situations" above. To avoid confusion and duplication, it has been removed from this section. Another commenter recommended incorporating the issuance of rights-of-way not a part of the APD and other special use permits into the Order No. 1 process. The regulations governing the issuance of these other permits are contained in different parts of the rules of the various surface management agencies (SMA). They are beyond the scope of this rulemaking. However, with regard to BLM-administered lands, every effort will continue to be made to coordinate processing and to issue all needed approvals and permits concurrently.

One commenter suggested the inclusion of specific language prohibiting motorized vehicles from sensitive areas. This suggestion has not been adopted, since the use of motorized vehicles would be the appropriate, preferred method of entry in most instances. The language of the Order provides the authorized officer with the necessary authority to take all appropriate steps to protect resource values.

Application for Permit To Drill (2)

The majority of the commenters addressing this provision expressed support for the process. One commenter did express concern that the 30-day time period was insufficient to allow adequate consideration of environmental values or the public's right to participate in the permitting

decisions." This is not the fact. Public participation begins during the planning process when the initial decision to consider leasing for mineral development and the inclusion of developmental controls are made. In addition, the Order and controlling regulations (43 CFR 3162.3-1 and 3162.5-1, formerly 30 CFR 221.23 and 221.30) require processing in 30 days but do not require the approval of all APD's in that time frame. In fact, the Order cites examples of circumstances where a decision within 30 days is unlikely. In all probability the vast majority of APD's can be processed within 30 days while assuring adequate consideration of environmental values and public participation.

Commenters offered both strong support and opposition for the inclusion of language relating to APD's filed just prior to the lease expiration date. These so-called "eleventh-hour filings" have been and remain a fairly common occurrence. The specific language proposed in this regard (see the last full paragraph of 47 FR 54467) has been deleted, since it apparently caused confusion and could have been interpreted as actually encouraging late filings. The BLM will attempt to accommodate requests for expedited processing due to factors such as an imminent lease expiration date, availability of drilling equipment, or other reasonable factors, but operators must realize that applications normally will be processed in the order received. The primary controlling consideration in determining whether a late-filed application can be accorded a higher priority is, generally, whether the current workload of the involved office will permit the processing to occur within the remaining time available. The extent of the review required to ensure that all technical, administrative, and environmental concerns have been satisfied may preclude a final decision on an application prior to the end of a lease term if the operator fails to allow sufficient lead time for that purpose. The operator has the burden of showing why the filing could not have been made within the normal time frame and thus should be processed prior to previously filed applications.

Conferences and Inspection (C)

The majority of the comments concerning this item addressed the timing of the onsite inspection and the participants. Several commenters, representing "other interested parties," requested specific modification of the Order to include their notification and invitation to the onsite inspection. The Order has been modified to require that

operators furnish the name, address, and phone number of all private surface owners and to require that BLM notify such owners and provide an opportunity to participate in the onsite inspection. This includes BIA, if the involved lands are held in trust for Indians. The Order was not modified to make notification of State agencies mandatory; however, State agencies will be notified, when appropriate. No change was made in the requirement that the operator's principal dirt and drilling contractors attend these onsite inspections. While the operator is responsible for all actions of such contractors, past experience has shown that inadvertent miscommunication of requirements can occur when information in that regard is passed on second and third hand. Generally, once actions such as the construction of drill pads or access roads have been improperly executed, the correction thereof can result in the delays of actual drilling operations and additional expenditures to correct the identified errors. BLM seeks to avoid these occurrences by requiring that the operator's principal contractors participate in the onsite inspections. With regard to scheduling and conducting onsite inspections within 15 days, one commenter did not believe enough time was provided to allow for proper public participation. In the vast majority of instances, an onsite inspection that includes all interested parties can be accomplished within 15 days. Moreover, in order to meet the total 30-day processing time frame, the onsite inspection must be held within 15 days. It should be noted that the section of the Order on "Processing Time Frames" does clearly indicate that a processing time longer than 30 days generally will be required in sensitive areas (see item D. below).

The provision relating to in-fill wells received numerous comments of both support and concern. While some commenters thought no inspection should be performed for such wells, others stated that all proposed in-fill wells should be inspected. As finalized, the Order provides the needed flexibility to inspect any in-fill well location where there are site specific concerns that have not been addressed previously by an appropriate environmental assessment. Where the identified concerns have been addressed previously, it is expected that a joint inspection with the involved surface management agency will not be required.

Processing Time Frames (D)

A significant number of commenters expressed support for this section as

written and thought that it would greatly enhance the effort to streamline the processing of APD's. One commenter believed that the 30-day processing time frame would cause areas of special environmental concern to be ignored. While the proposed rule, as written, indicated that approval of APD's would not always occur within 30 days and enumerated specific areas in which additional time generally would be required, editorial changes have been made in the provision for clarity. In addition, the list of sensitive areas likely to require more than 30 days of necessary time has been expanded from six to nine, while continuing to indicate that others may be identified later. A few commenters stated that some of the past processing delays occurred because of administrative problems in coordination between involved agencies. This problem was one of the main reasons for the Secretary's decision to merge all onshore mineral leasing and regulatory functions of the Department into BLM. Since the majority of the drilling applications are for wells on lands under BLM's jurisdiction, the number of administrative delays should be greatly reduced in the future.

Cultural Resources Clearance (E)

Several commenters stated that this provision was unclear in several respects. In response to these comments, the entire provision has been rewritten for clarity. The Order now provides a separate cultural resources clearance requirement for privately owned surface. It also has been modified to encourage the lessee or operator to contact other involved Federal SMA's prior to submission of any material to BLM. These early contacts will allow quicker identification of potential problems involving cultural resources and the determination of whether a cultural resources inventory and report will be required. No change was made with regard to the cultural resources clearance requirement for in-fill wells, since surface conditions may vary greatly on various portions of the same leased area. However, if a previous report covered the proposed new well location and is referenced in the application, no new report will be required.

Threatened and Endangered Species Clearance and Other Critical Environmental Concerns (F)

One commenter interpreted the provision as allowing drilling sites to be located in areas of special environmental concern, without

appropriate consideration of those concerns. This interpretation is not correct. BLM or other surface managing agencies will identify and consider all significant environmental concerns during the review process. BLM will ensure that all other appropriate organizational entities are consulted, as required by applicable law and regulation. However, it is neither necessary nor appropriate to detail all such existing consultation procedures in the Order.

Components of a Complete Application for Permit To Drill (G)—Complete Application (1)

Although no comments were received on this provision, it has been modified to recognize the authority of the Environmental Protection Agency (EPA) and the States which gain primacy from EPA in relation to those wells which a lessee or operator proposes to drill for injection purposes (disposal or production enhancement) on Federal or Indian lands. The language added advises that, in these circumstances, the lessee or operator must also obtain an underground injection permit from EPA or the involved State, where the State has achieved primacy. In addition, language has been added to advise lessees and operators that any information supplied to the State or EPA in support of obtaining the injection permit will be accepted by BLM to the extent that it satisfies the information submittal requirements of this Order. Similar language has been added in section IV. (Subsequent Operations) to address those situations where a lessee or operator proposes to convert an existing well on Federal or Indian lands for injection purposes.

Commenters requested clarification of the meaning intended by the use of the term "certified plat" in provision 3.a. The provision has been modified to clearly state that the plat must be prepared by a registered surveyor and that the surveyor must certify on the plat that the site has been staked as shown. An additional sentence also has been added, for clarity, to provision 3.e. (cementing).

Form 3160-3, Formerly 9-331 C (3)

Lessees and operators are advised that all forms referenced in the Order will be revised slightly and will be renumbered in accordance with the BLM system of numbering forms. BLM form numbers correspond to the number of the controlling regulations. This form conversion process has just begun since the nonroyalty portions of the operating regulations (formerly 30 CFR Part 221) have been transferred to Title 43 CFR

Part 3160. In addition, the agency and approving official's title will be changed. Until this occurs, however, all approved forms currently in use will remain valid.

Drilling Plan (4)

One commenter requested that the provision relating to the protection of proprietary data be modified to more closely parallel the procedures followed for wells drilled offshore. While the specific change requested has not been adopted, the language has been modified to indicate clearly that any information identified by the applicant as proprietary, pursuant to 43 CFR 3162.8, formerly 30 CFR 221.33, will be deleted from all informational copies that BLM supplies to other parties.

Another commenter requested a modification to indicate that pertinent data will be provided to the involved surface managing agency. This suggestion has been adopted. Language also has been added to provide applicants with information regarding the standards that BLM and other involved agencies utilize in evaluating the technical competency of the proposed drilling and surface use programs. In addition, a provision has been added to clarify the Department's position on reclamation of privately owned surface, which is, basically, that reclamation on such lands is a matter to be resolved between the lessee or operator and the private surface owner. However, BLM may require that information about such arrangements be submitted when it is determined that Federal or Indian surface could be significantly affected by a proposed well site or access road on nearby private surface (see section VII., Privately Owned Surface.).

Guidelines for Preparing Drilling Program (a)

One commenter stated that item (6), on testing, logging, and coring, was confusing. In response to that comment, the language has been modified for clarity.

Guidelines for Preparing Surface Use Program (b)

These guidelines received extensive comment and are discussed by individual item. Some of the BLM field office commenters thought the Order should strictly require a standard map size. This suggestion has not been adopted, as it would be unduly burdensome not to provide some flexibility. Item (1) has been modified to require the maintenance of existing roads pursuant to SMA standards. One commenter objected to the requirement in item (3) that all wells within a 1-mile

radius of the proposed location be listed. This provision has not been modified because the information is needed for the proper evaluation of each proposal. It should be noted that the existing NTL-6 requires such information for a 2-mile radius around proposed exploratory wells.

Item (4), relating to the location of existing and proposed facilities should a well be productive, elicited considerable comment. One commenter suggested that specific information in this regard may not be known when an exploratory well is first proposed. Thus, precise information, such as the nature and placement of storage and treating facilities, can only be determined after a discovery has occurred and the nature and extent thereof is known. The provision has been modified to allow the filing of a request for the subsequent approval of any production facility not known or contemplated at the time an APD is initially filed. However, the requirement that such information, to the extent known or contemplated, shall be included in the initial filing, has been retained. This information is necessary for planning purposes and could expedite the approval of new or modified facilities at a later date.

In addition, matters other than surface disturbance (e.g., other authorized uses of the surface) can be affected by the siting and areal extent of production facility layouts and thus must be considered as early as possible by the involved SMA. This item was also modified by removing certain informational requirements relating to subsequent operations and placing those in section IV. of the Order. Item (6) was clarified to conform to recent amendments to the controlling regulations.

Some commenters thought item (9) should be deleted, since most drilling rig layouts are similar. However, others stated that the provision should be expanded to include additional detail so that potential impacts could be fully evaluated. The provision has not been revised because it provides for the receipt of all essential information without being unnecessarily burdensome.

One commenter observed that the information required by item (10) duplicated other items of the Order. BLM concurs in this observation and has consolidated, to the maximum extent practicable, all references to surface reclamation plans in this provision. Additionally, the words "rehabilitation" and "restoration" have been replaced with the more comprehensive term of "reclamation."

Item (11) was revised and the title changed in response to the comments received. It now specifically requires the submission of information on the surface ownership at the well site and for all roads to be constructed or reconstructed. If privately owned surface is involved, the name, address and phone number of such person is to be provided also. To encourage lessees and operators to submit other useful data, a new item (12) has been added, and item (12), as proposed, has been renumbered as (13).

Subsequent Operations (Section IV)

Eleven commenters specifically addressed this section of the proposed Order. A few of the comments were directed to the controlling regulation (43 CFR 3162.3-2, formerly 30 CFR 221.27) and thus were beyond the scope of the rulemaking. Most of the other commenters found the proposed item unclear. The entire provision has been rewritten for clarity and to conform the language to that of the controlling regulations. As stated in both the regulation and the Order, routine operations will require prior approval only if additional surface disturbance is involved. Additionally, language has been added to recognize the authority of EPA or a primacy State with respect to underground injection control. Thus, lessees and operators are advised that a permit must also be obtained from EPA or the State whenever it is proposed to convert an existing well on Federal or Indian lands for injection purposes. Information submitted to EPA or the State in support of obtaining such a permit will be accepted by BLM to the extent that it satisfies the information submission requirements of the Order.

Well Abandonment (Section V)

In response to the comments received, this section has been revised specifically to provide that, when appropriate, additional reclamation requirements may be imposed upon abandonment of an operational site on Federal or Indian surface.

Privately Owned Surface (Section VII)

Several commenters questioned both this section, as proposed, and references to operations on privately owned surface contained elsewhere in the proposed Order. This section has been rewritten to consolidate these references under this provision and to clarify, with respect to privately owned surface, surface protection, cultural resources, surface reclamation, and/or payment in lieu thereof, that all are matters to be settled between the lessee/operator and the private surface owner. The BLM will

only become involved in these arrangements if it is determined that adjacent Federal or Indian surface could be adversely affected by construction or operational activities on the privately owned surface or if an agreement cannot be reached. Commenters generally favored the concept that a copy of any such agreement need not be submitted if such adjacent Federal and Indian surface will not be affected adversely.

Reports and Activities Required After Well Completion (Section VIII)

Several operators commenting on this provision found the references to required submissions either unnecessary, in light of the controlling regulations, or inconsistent with the recently enacted Federal Oil and Gas Royalty Management Act of 1982. In response to this comment the section has been rewritten to conform to the regulations and the Act.

The only substantive comment relating to the attachments to the Order was that the operator's phone number should be provided on the optional NOS. This change has been made. The attachments are provided to expedite the review and processing of the application. However, approved form 3160-3, formerly 9-331C, and the attachments thereto constitute the basic filing requirement specified by this Order.

The principal authors of this final rulemaking are Mr. Lynn Rust, Cheyenne, Wyoming; Mr. Raymond W. Vinyard, Tulsa, Oklahoma; Messrs. Paul Petty and Gregory P. Shoop, Division of Fluid Mineral Leasing; and Messrs. Sie Ling Chiang, Frederick S. Crafts, Gerald R. Daniels, Gerald J. Richard, Stephen H. Spector, William J. Weber, and Eddie R. Wyatt, Division of Fluid Mineral Operations, assisted by staff members of the Office of Legislation and Regulatory Management, all of the Bureau of Land Management. Significant guidance and input also was provided by personnel of the Office of the Solicitor, the Department of the Interior, and the Forest Service, Department of Agriculture.

Executive Order 12291

The Department of the Interior has determined that this document is not a major rule and does not require a regulatory impact analysis under Executive Order 12291 because its net effect is estimated to be a 5 percent cost reduction in the processing of operational proposals.

Regulatory Flexibility Act

The Department has also determined that the rulemaking will not have a significant economic impact on a substantial number of small entities and does not require a regulatory flexibility analysis under the Regulatory Flexibility Act because its net effect is estimated to be a 5 percent cost reduction in the processing of operational proposals.

National Environmental Policy Act of 1969

It is hereby determined that this proposed rulemaking does not constitute a major Federal action significantly affecting the quality of the human environment and that no detailed statement pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is required.

Paperwork Reduction Act of 1980

The optional Notice of Staking (NOS) is an industry proposal for expediting the review and processing of the approved Application for Permit to Drill form (3160-3), and when this optional notice is used, it will always be followed by the required, approved form. The information that may be supplied in the notice is identical to information that is required by the Application for Permit to Drill, which information collection requirement has already been cleared. Any supporting documents accompanying the notice need not be resubmitted with the application form unless a significant change has occurred since the submission of the notice. The sample format is provided to assist applicants in the preparation of the notice. This method of collecting information does not impose any additional burden on the affected public and as such, the Office of Management and Budget has agreed to incorporate the NOS into the clearance for the Application for Permit to Drill, 1004-0136. The collection of all information required by this Order has been approved by OMB under 44 U.S.C. 3507 and assigned the following clearance numbers: 1004-0134—The specific provisions of the regulations in 43 CFR Part 3160, formerly 30 CFR Part 221, 1004-0135—Sundry Notice and Report of Wells (3160-5, formerly 9-331), 1004-0136—Application for Permit to Drill, Deepen, or Plug Back (3160-3, formerly 9-331C), and 1004-0137—Well Completion or Recompletion Report and Log (3160-4, formerly 9-330).

list of Subjects in 43 CFR Part 3160

Government contracts, Oil and gas exploration, Public lands, Mineral resources, Reporting requirements.

Under the authority of the Act of February 25, 1920, as amended and supplemented (30 U.S.C. 189, 226), and Executive Order 12291 (46 FR 13193), Part 3160, Group 3100, Subchapter C, Chapter II of Title 43 of the Code of Federal Regulations is amended as set forth below.

Dated: September 21, 1983.

Harold W. Furman II,
Acting Assistant Secretary of the Interior.

PART 3160—ONSHORE OIL AND GAS OPERATIONS

Section 3164.1(b) is amended by adding the following table:

§ 3164.1 Onshore Oil and Gas Orders.

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Order No.	Subject	Effective date	Federal Register reference	Supersedes
	Approval of Operations	Nov. 21, 1983.....	48 FR—.....	NTL-6.

Appendix—Text of Oil and Gas Order

Note.—This appendix will not appear in the Code of Federal Regulations.

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Onshore Oil and Gas Order**Federal and Indian Oil and Gas Leases****Order No. 1**

Effective: November 21, 1983.

Approval of Operations**Introduction**

This Order is established pursuant to the authority prescribed in 43 CFR Part 3160, formerly 30 CFR 221. Approval of all proposed exploratory, development, and service wells, and all required approvals of subsequent well operations and other lease operations, shall be obtained in accordance with 43 CFR 3162.3-1, 3162.3-2, 3162.3-3, 3162.3-4 and

3162.5-1, formerly 30 CFR 221.23, 221.27, 221.28, 221.29, or 221.30, as appropriate.

All wells approved for drilling under the provisions of this Order shall have been included in a drilling plan, as required under 43 CFR 3162.3-1(d), formerly 30 CFR 221.23(d).

A drilling plan may be submitted for a single well, or for several wells that are proposed to be drilled to the same zone within a field or area of geological and environmental similarity. Plans for additional development of the leasehold should be considered in the submittal.

However, approval of Form 3160-3, formerly 9-331C (Application for Permit to Drill, Deepen, or Plug Back) is required for each well, and in order to be complete an Application for Permit to Drill (APD) shall include all information required under 43 CFR 3162.3-1 (d) and (e). A technically and administratively complete APD includes, in addition to Form 3160-3, a drilling plan, evidence of bond coverage, a designation of operator, when appropriate, and such other information as may be required by applicable Order or Notice to evaluate the proposal. Refer to section III.G. for more detailed guidance on complete APD's.

Certain subsequent well operations and other lease operations involving additional surface disturbance shall be included in a plan submitted on Form 3160-5, formerly 9-331 (Sundry Notices and Reports On Wells), and approved under the provisions of this Order pursuant to 43 CFR 3162.3-2 or 3162.3-3, formerly 30 CFR 221.27 or 221.28, respectively.

A report on all subsequent well operations shall be filed on Form 3160-5, as prescribed in 43 CFR 3162.3-2. A notice of intention to abandon a well and a subsequent report of abandonment shall also be filed on

Form 3160-5, as required by 43 CFR 3162.3-4.

All applications for approval under the provisions of this Order shall be submitted to the appropriate authorized officer of the Bureau of Land Management (BLM). "Authorized Officer" means any person authorized to perform the duties prescribed. To be advised of the proper BLM official and office with which to file an application, the lessee/operator may contact the appropriate District Manager of BLM having jurisdiction over lease operations in a particular area.

The lessee/operator shall comply with the following requirements:

I. Accountability. Lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which (1) conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian leases; (2) conforms with the lease terms, lease stipulations, and conditions of approval; (3) results in diligent development and efficient resource recovery; (4) protects the lease from drainage; (5) affords adequate safeguards for the environment; (6) results in the proper reclamation of disturbed lands; (7) conforms with current available technology and practice; (8) assures that underground sources of fresh water will not be endangered by any fluid injection operation; and (9) otherwise assures the protection of the public health and safety. Lessees and operators shall be held fully accountable for their contractors' and subcontractors' compliance with the requirements of the approved permit and/or plan. Drilling/construction and associated operations shall not be conducted without prior approval of the authorized officer of BLM. BLM approval of the APD does not relieve the lessee and operator from obtaining and other authorizations required for operations on Federal and Indian lands.

II. Special Situations. Lessees and operators, as well as their contractors and subcontractors, shall not commence any operation or construction activity on a lease, other than cultural resource inventories and surveying and staking well locations on Federal and Indian lands, without the prior approval of the authorized officer of BLM, except for certain subsequent operations (see Section IV. of this Order). The terms and conditions of an approved permit and drilling plan, or other plan, shall not be

altered unless BLM first has approved an amended or supplemental permit and/or plan covering any such modifications.

For proposed operations on a committed State of fee tract in a Federally supervised unit or communitized tract, the operator shall furnish a copy of the approved State permit to the authorized officer of BLM which will be accepted for record purposes. In addition, in cases where an access road to a non-Federal or non-Indian drillsite will cross leased Federal or Indian lands, the operator shall submit a surface use plan only for those portions of the access road on Federal or Indian lands where new construction or reconstruction will occur. Such plans shall be submitted to the authorized officer of BLM or appropriate Federal Surface Management Agency (SMA) and approval obtained prior to commencement of construction operations on the Federal or Indian surface. For privately owned surface, refer to section VII.

III. Drilling Operations.

A. Surveying and Staking. Surveying and staking may be done without advance approval from the authorized officer of BLM or other appropriate SMA and prior to the conduct of any required cultural resource inventory, except for lands administered by the Department of Defense or other lands used for military purposes, or where significant cultural disturbance is likely to occur.

Lessees and operators are strongly encouraged to notify the appropriate SMA prior to entry upon the lands for the purposes of surveying and staking. Early notification will allow the SMA to apprise the lessees and operators of any existing conditions, knowledge of which could result in saving of time and money by both industry and Government. These include but are not limited to:

- Whether a cultural resource inventory is required;
- Presence of threatened or endangered species and/or critical habitats;
- Vehicle access restrictions; and/or
- Permitting requirements applicable to affected lands outside the leasehold boundary.

Where the surface is privately owned or held in trust of Indian benefit, the lessee/operator is responsible for making access arrangements with the private surface owner or the Bureau of Indian Affairs (BIA) and Indian tribe or Indian allottee(s) prior to entry upon the lands for the purpose of surveying and staking.

Staking shall include the well location, two 200-foot directional reference stakes, the exterior

dimensions of the drill pad, reserve pit and other areas of surface disturbance, cuts and fills, and centerline flagging of new roads with road stakes being visible from one to the next. Cut and fill staking applies only to the wellsite, reserve pit, and, if off-location, and ancillary facilities.

B. Material to be Filed.

1. *Notice of Staking.* Prior to filing a complete APD, the lessee or operator may, at its option, file a Notice of Staking (Attachment A) with the authorized officer of BLM and appropriate office of any other involved SMA. In Alaska, a copy of the Notice shall also be sent to the appropriate Borough when a subsistence stipulation is part of the lease.

The information contained in the Notice of Staking (NOS) will aid in identifying the need for associated rights-of-way and special use permits. If all required information is not included, the NOS shall be returned to the operator for modification.

2. *Application for Permit to Drill (APD).* Regardless of whether an NOS is filed, the lessee or operator shall file an APD. This application shall be administratively and technically complete prior to approval. The authorized officer of BLM shall advise the lessee or operator, within 7 working days of receipt of the application; as to whether or not the application is complete. If the application is complete, oral notification will suffice. If the application is not complete, notification to that effect shall be made in writing even though the lessee or operator may have already received oral notification. For purposes of written notification, Attachment B, Checklist For Applicant Notification, shall be mailed to the applicant within the 7-day period. The notification shall advise the lessee or operator of any defects that need correcting and of any additional information required. If the deficiencies are not corrected and/or the additional required information is not submitted within 45 days of the date of any oral or written notice (if no prior oral notice), the application shall be returned to the proponent.

Upon initiation of the APD process, the authorized officer of BLM shall consult with any other involved SMA and with other appropriate interested parties, and shall take one of the following actions within 30 days: (1) Approve the application as submitted or with appropriate modifications or stipulations; (2) return the application and advise the lessee or operator of the reasons for disapproval; or (3) advise the lessee or operator, either in writing or orally with subsequent written

confirmation, of the reasons why final action will be delayed and the date such final action is expected.

When the NOS option is followed, BLM shall strive to process the subsequent related APD within 10 days of the APD's receipt. However, in either situation, the process of reviewing the APD and advising the lessee or operator as to whether it is technically and administratively complete shall be considered a part of the overall APD processing time, i.e., 30 days in case of the APD option and 10 days if the NOS process is utilized. Operators are cautioned that with respect to any particular well, the option selected initially, of either filing both an NOS and a subsequent APD or only an APD, is to be followed and there shall be no shifting between the two options. If operators fail to maintain a consistent approach in this regard, the processing time already expended shall not be counted as part of the above 30-day period.

The processing of applications shall be given a high priority, and individual applications shall be processed according to the date the application is received by the appropriate BLM office. If it is not possible for BLM actions to be taken prior to lease expiration, the lessee or operator shall be advised, at least orally, prior to the lease expiration date, with all such notifications confirmed in writing. Said advice shall detail the reasons for delay so that the lessee or operator may take such appeal or other recourse to preserve the lease as is allowed by law and/or regulation. The appropriate BLM office telephone number and address shall be furnished to the lessee or operator with the earliest notification or advice.

C. Conferences and Inspections. An onsite predrill inspection shall be scheduled and conducted by the appropriate BLM office within 15 days of receiving the applicant's initially-filed document, i.e., either an NOS or a complete APD. In special circumstances the authorized officer of BLM may require the filing of a complete APD prior to the scheduling of an onsite predrill inspection. Representatives of the appropriate BLM office, the operator and other interested parties, such as any other involved SMA, the appropriate Alaska Borough (when a subsistence stipulation is part of the lease), and the operator's principal dirt and drilling contractors shall attend the predrill inspection. When appropriate, the operator's surveyor and archeologist should also participate in the inspection. If any other involved SMA is not able to participate at the desired time, the

inspection may be rescheduled provided it can be conducted within the 15-day period. When private surface is involved, the lessee or operator shall furnish the name, address and telephone number of the private surface owner on the NOS form or, in the surface use program, such information shall be attached to the APD. The BLM shall invite the surface owner to participate in the onsite inspection. This invitation will be extended as early as possible. However, a surface owner's inability to attend shall not delay the scheduled inspection unless BLM can conveniently reschedule the inspection within the 15-day time period. Joint inspections, i.e., those involving any other SMA, normally shall not be held for proposed drill well locations in developed fields or an appropriate environmental assessment (EA) already has been completed by BLM for the field or that area of the field. However, if staffing permits, a representative of BLM shall inspect those proposed locations where joint predrill inspection is not held. At the time of onsite inspection, staking of the location shall have occurred, as specified in part A of this section. The surface use and reclamation stipulations shall be developed during the onsite inspection and provided to the operator either at the location or within 5 working days from the date of the onsite inspection, barring unusual circumstances. These requirements shall be incorporated into the complete application, when filed, if the proponent follows the NOS option. Otherwise, these requirements shall be incorporated as conditions of the APD approval if an NOS is not filed. However, this does not preclude the possibility of additional conditions being imposed as a result of the review of the complete application.

D. Processing Time Frames. The following table summarizes the major time frames involved in processing most APD's:

APD OPTION

Action items	Days
Onsite inspection.....	Within 15 days after receipt of the APD.
Requirements to be imposed when APD is approved.	Developed onsite or within 5 working days thereafter.
Complete processing of APD.	Within 30 days of the APD's receipt, provided that it is technically and administratively complete at the end of the 30-day period (includes the above 15-day and 5-day periods).

NOS OPTION

Action items	Days
Onsite inspection.....	Within 15 days after receipt of the NOS.
Requirements for inclusion in APD.	Furnished onsite or within 5 working days thereafter.
Complete processing of APD.	Within 10 days of the APD's receipt, provided that it is technically and administratively complete at the end of the 10-day period.

The above timeframes together comprise the total period during which BLM anticipates it will be able to process approximately 90 percent of all APD's. However, the 30 days may not run consecutively even when APD's are filed immediately after onsite inspections. For example, any time used by lessees or operators to correct deficiencies, or to prepare and submit information initially omitted from the application and which causes delays in processing beyond BLM's control, shall not be counted as part of the 30-day period. However, BLM shall continue to process applications up to the point where any missing piece of information or an uncorrected deficiency renders further processing impractical or impossible. Processing delays which extend the 30-day processing time are expected to occur in less than 5 percent of the cases. In addition, delays in conducting onsite inspections within 15 days of receiving an NOS (or an APD if an NOS is not filed), or delays in providing all stipulations to the operator within 5 working days of an onsite inspection may occur in less than 5 percent of the cases during periods of severe weather conditions and in areas where certain environmental concerns or jurisdictional conflicts exist.

Such areas include, but are not limited to:

1. Certain tribally or individually owned Indian trust or restricted lands.
2. Lands withdrawn for Federal reservoirs and Federal lands surrounding such reservoirs.
3. Lands in formally designated wilderness areas, lands formally proposed for such designation, lands within BLM Wilderness Study Areas or lands within Forest Service Further Planning Areas.
4. National Recreation Areas.
5. Wildlife Refuges.
6. Certain Federal lands in Alaska.
7. Lands under jurisdiction of the Department of Defense.
8. Lands where a major problem exists with respect to cultural resources.
9. Lands known to contain threatened or endangered species and/or critical habitats.

The 30-day time frame for completion of the APD process also may be exceeded in most cases where it is necessary to prepare an EA, and in all cases where it is necessary to prepare an environmental impact statement (EIS).

Lessees and operators are also cautioned that if the NOS/APD process begins less than 30 days prior to the desired date of commencement of drilling operations, the process may not be completed within the time desired.

E. Cultural Resources Clearance.

Because consultation with the involved SMA and the State Historic Preservation Officer on matters that relate to the protection of historic and cultural resources is provided in BLM (36 CFR 800.4(a)(1)), lessees and operators should contact the involved SMA at least 15 days prior to the submission of an NOS or APD to determine whether any actions are necessary to locate and identify historic and cultural resources. If such actions are necessary, lessees and operators are encouraged to complete the work and report prior to the submission of any other material to the authorized officer of BLM but, in any event, no later than the time the complete APD is submitted. Survey work and a related report shall be required only if the involved SMA has reason to believe that properties listed, or eligible for listing, in the National Register of Historic Places (NRHP) are present in the area of potential effect. Historic and cultural resources work on privately owned surface shall be undertaken only with the consent of the private surface owner. If the private surface owner refuses entry for that purpose, the lessee or operator shall use its best efforts to conduct its approved operations in a manner that avoids adverse effects on any properties which are listed, or may be eligible for listing, in the NRHP.

F. Threatened and Endangered Species Clearance and Other Critical Environmental Concerns. The involved SMA shall identify any threatened and endangered species and/or critical habitat problems and other environmental concerns, e.g., wilderness and wilderness study areas, wild and scenic rivers, etc., to minimize the possibility of drill site relocation. Should the SMA, if that agency is not BLM, be unable to carry out this responsibility, BLM shall do so. BLM shall identify any known or potential surface geological hazards. If any of these concerns exist, information in that regard shall be conveyed to the lessee/operator by BLM no later than when the surface use and reclamation stipulations are provided;

however, the lessee/operator can ensure earlier identification of potential conflict in these areas of concern by contacting the involved SMA prior to the submittal of an NOS or APD. The authorized officer of BLM should be timely apprised of any contacts with any other involved SMA.

G. Components of a Complete Application for Permit to Drill.

1. *Complete Application.* If an NOS is filed, the lessee/operator shall prepare and submit a complete APD within 45 days of the onsite inspection pursuant to the requirements of this subsection. Failure to timely submit an APD within this time frame may result in the lessee/operator having to repeat the entire process. The complete APD shall be submitted in triplicate to BLM, together with any additional copies required by the authorized officer. As provided in 43 CFR 3162.3-1(d), formerly 30 CFR 221.23(d), a complete application consists of:

(a) Form 3160-3, (b) a drilling plan (or reference thereto) containing information required by section C.4., below, (c) evidence of bond coverage as required by Department of the Interior regulations, (d) designation of operator, where necessary, and (e) such other information as may be required by applicable Orders and Notices, including a cultural resource report (if required and not already filed). The APD shall be signed by the lessee/operator official having the responsibility and authority to supervise and direct all activities related to the permit and who can be contacted in the event of a problem. The authorized officer may require additional information in unusual circumstances. However, where the proposed well is to be completed for injection purposes (disposal or production enhancement), lessees and operators also shall obtain an underground injection permit from the Environmental Protection Agency (EPA) or the State, where the State has achieved primacy. Any information submitted in support of obtaining that permit shall be accepted by the authorized officer to the extent that it satisfies the information submission requirements of this Order.

2. *Designation of Operator.* The lessee may authorize the actual conduct of operations in its behalf by designating another party as operator in a manner and form acceptable to the authorized officer. Lessees shall notify the authorized officer in writing whenever an existing designation of operator is cancelled. A designated operator cannot designate a different party as operator.

3. *Form 3160-3, formerly 9-331C, (Application for Permit to Drill, Deepen,*

or Plug Back). This Form shall be completed in full and submitted to the authorized officer together with all necessary information referred to under section C.1. above. The following points a. through f. are specific as to appropriate information requirements of the Form and shall be stated thereon, or as an attachment thereto, for each proposed well:

a. A well location plat shall be attached depicting the proposed location, as determined by a registered surveyor, in feet and direction from the nearest section lines of an established public land survey or, in areas where there are no public land surveys, by such other method as is acceptable to the authorized officer. The plat shall be signed by the surveyor, certifying that the location has, in fact, been staked on the grounds as shown on the plat.

b. The elevation given shall be the above-sea-level datum of the unprepared ground.

c. The type of drilling tools and associated equipment to be utilized shall be stated.

d. The proposed casing program shall include the size, grade, weight, type of thread and coupling, and setting depth of each string, and whether it is new or used.

e. The amount and type of cement, including additives to be used in setting each casing string, shall be described. If stage-cementing techniques are to be employed, the setting depth of the stage collars and amount and type of cement, including additives, to be used in each stage shall be given. The expected linear fill-up of each cemented string or each stage, when utilizing stage-cementing techniques, shall be provided.

f. The anticipated duration of the total operation shall be given in addition to the anticipated starting date. A copy of the approved Form 3160-3 and the pertinent drilling plan, along with any conditions of approval, shall be available at the drillsite to authorized or delegated representatives of the United States whenever active construction, drilling, or completion operations are under way.

4. *Drilling Plan.* A drilling plan in sufficient detail to permit a complete appraisal of the technical adequacy of, and environmental effects associated with, the proposed project shall be prepared and either submitted with each copy of Form 3160-3, or referenced thereon if it is already on file with BLM or is being submitted for more than one well. The plan shall be developed in conformity with the provisions of the lease, including attached stipulations, and the guidelines provided by this Order or other land use documents.

Each drilling plan shall contain a description of the drilling program and surface use program. The BLM shall send a copy of appropriate parts of the plan to any other involved SMA and may send a copy of the plan to other interested Federal, State, and local agencies. All information identified as proprietary by the applicant pursuant to 43 CFR 3162.8, formerly 30 CFR 221.33, shall first be deleted. The drilling program shall include a description of the pressure control system and circulation mediums, the testing, logging and coring program, pertinent geologic data, and information on expected problems and hazards. The drilling program shall be reviewed for adequacy by BLM. The criteria/standards set forth in the operational manual section (currently designated CDM 643.1.3E, Technical Considerations), or in effect at the time of submission of the APD, generally will be utilized in evaluating the technical adequacy of a proposed drilling plan. If the program is considered adequate, BLM shall require modification of the drilling program.

The surface use program shall contain a description of the road and drill pad location and construction methods for containment and disposal of waste material, and other pertinent data as the authorized officer may require. The surface use program shall provide for safe operations, adequate protection of surface resources and uses and other environmental components, and shall, for Federal and Indian surface, include adequate measures for reclamation of disturbed lands no longer needed for either drilling or other subsequent operations. Where the surface is privately owned, the authorized officer may require the submission of the reclamation plan between the lessee or operator and landowner in order to determine if it is adequate to protect nearby Federal and Indian surface from significant impacts generated by the operation. In developing the surface use program, the lessee or operator shall make use of such information as is available from the involved SMA concerning the surface resources and uses, environmental considerations, and local reclamation procedures. The surface use program shall be reviewed for adequacy by BLM and by any other involved SMA. The criteria/standards set forth in the Surface Operating Standards for Oil and Gas Exploration and Development Handbook, Second Edition, August 1978, or as subsequently revised, generally shall be utilized in evaluating the adequacy of a proposed surface use plan. If the surface use program is considered inadequate, BLM

hall, in consultation with any other involved SMA, require modifications or amendment of the program or otherwise set forth stipulations or conditions of approval as are necessary for the protection of surface resources/uses and the environment, and for the reclamation of the areas to be disturbed when no longer needed for operational purposes.

a. *Guidelines for Preparing Drilling Program.* The following information shall be included as part of the drilling plan but shall be made specific to each well if the plan covers more than one well:

(1) Estimated tops of important geologic markers.

(2) Estimated depths at which the top and the bottom of anticipated water (particularly fresh water), oil, gas or other mineral-bearing formations are expected to be encountered and the lessee's or operator's plans for protecting such resources.

(3) Lessee's or operator's minimum specifications for pressure control equipment to be used and a schematic diagram thereof showing sizes, pressure ratings (or API series), and the testing procedures and testing frequency.

(4) Any supplementary information more completely describing the drilling equipment and casing program as set forth on Form 3160-3.

(5) Type and characteristics of the proposed circulating medium or mediums to be employed in drilling, the quantities and types of mud and weighting material to be maintained, and the monitoring equipment to be used on the mud system.

(6) The anticipated type and amount of testing, logging, and coring.

(7) The expected bottom hole pressure and any anticipated abnormal pressures or temperatures or potential hazards, such as hydrogen sulfide, expected to be encountered, along with contingency plans for mitigating such identified hazards.

(8) Any other facets of the proposed operation which the lessee or operator wishes to point out for BLM's consideration of the application.

(b) *Guidelines for Preparing Surface Use Program.* In preparing this program, the lessee or operator shall submit maps, plats, and narrative descriptions which adhere closely to the following maps and plats should be of a scale no smaller than 1:24,000 unless otherwise stated below):

(1) *Existing Roads.* A legible map of USGS topographic, county road, Alaska Borough, or other such map), labeled and showing the access route to the location, shall be used for locating the proposed well site in relation to a town

(village) or other locatable point, such as a highway or county road, which handles the majority of the through traffic to the general area. The proposed route to the location, including appropriate distances from the point where the access route exits established roads, shall be shown. All access roads shall be appropriately labeled. Any plans for improvement and/or a statement that existing roads will be maintained in the same or better condition shall be provided. Existing roads and newly constructed roads on surface under the jurisdiction of an SMA shall be maintained in accordance with the standards of the SMA.

Information required by items (2), (3), (4), (5), (6), and (8) of this subsection also may be shown on this map if appropriately labeled or on a separate plat or map.

(2) *Access Roads to Be Constructed and Reconstructed.* All permanent and temporary access roads that are to be constructed, or reconstructed, in connection with the drilling of the proposed well shall be appropriately identified and submitted on a map or plat. Width, maximum grade, major cuts and fills, turnouts, drainage design, location and size of culverts and/or bridges, fence cut and/or cattleguards, and type of surfacing material, if any, shall be stated for all construction. In addition, where permafrost exists, the methods for protection from thawing must be indicated. Modification of proposed road design may be required during the onsite inspection.

Information also should be furnished to indicate where existing facilities may be altered or modified. Such facilities include gates, cattleguards, culverts, and bridges which, if installed or replaced, shall be designed to adequately carry anticipated loads.

(3) *Location of Existing Wells.* It is recommended that this information be submitted on a map or plat and include all wells (water, injection or disposal, producing, and drilling) within a 1-mile radius of the proposed location.

(4) *Location of Existing and/or Proposed Facilities if Well Is Productive.*

(a) *On well pad*—A map or plat shall be included showing, to the extent known or anticipated, the location of all production facilities and lines to be installed if the well is successfully completed for production.

(b) *Off well pad*—A map or plat shall be included showing to the extent known or anticipated, the existing or new production facilities to be utilized and the lines to be installed if the well is successfully completed for production. If

new construction, the dimensions of the facility layout are to be shown.

If the information required under (a) or (b) above is not known and cannot be accurately presented and the well subsequently is completed for production, the operator shall then comply with section IV. of this Order.

(5) *Location and Type of Water Supply (Rivers, Creeks, Springs, Lakes, Ponds, and Wells).* This information may be shown by quarter-quarter section on a map or plat, or may be a written description. The source and transportation method for all water to be used in drilling the proposed well shall be noted if the source is located on Federal or Indian lands or if water is to be used from a Federal or Indian project. If the water is obtained from other than Federal or Indian lands, only the location need be identified. Any access roads crossing Federal or Indian lands that are needed to haul the water shall be described in items G.4.b. (1) and (2), as appropriate. If a water supply well is to be drilled on the lease, it shall be so stated under this item, and the authorized officer of BLM may require the filing of a separate APD.

(6) *Construction Materials.* The lessee or operator shall state the character and intended use of all construction materials, such as sand, gravel, stone and soil material. If the materials to be used are Federally-owned, the proposed source shall be shown by either quarter-quarter section on a map or plat, or a written description. The use of materials under BLM jurisdiction is governed by 43 CFR 3610.2-3. The authorized officer shall inform the lessee or operator if the materials may be used free of charge or if an application for sale is required. If the materials to be used are Indian owned or under the jurisdiction of SMA other than BLM, the specific tribe and or Area Superintendent of BIA, or the appropriate SMA office shall be contacted to determine the appropriate procedure for use of the materials.

(7) *Methods for Handling Waste Disposal.* A written description shall be given of the methods and locations proposed for safe containment and disposal of each type of waste material (e.g., cuttings, garbage, salts, chemicals, sewage, etc.) that results from the drilling of the proposed well. Likewise, the narrative shall include plans for the eventual disposal of drilling fluids and any produced oil or water recovered during testing operations.

(8) *Ancillary Facilities.* The plans, or subsequent amendments to such plans, shall identify all ancillary facilities such as camps and airstrips as to their location, land area required, and the

methods and standards to be employed in their construction. Such facilities shall be shown on a map or plat. The approximate center of proposed camps and the center line of airstrips shall be staked on the ground.

(9) *Well Site Layout.* A plat of suitable scale (not less than 1 inch=50 feet) showing the proposed drill pad and its location with respect to topographic features is required. Cross section diagrams of the drill pad showing any cuts and fills and the relation to topography are also required. The plat shall also include the proposed location of the reserve and burn pits, access roads onto the pad, turnaround areas, parking areas, living facilities, soil material stockpiles, and the orientation of the rig with respect to the pad and other facilities. Plans, if any, to line the reserve pit shall be detailed.

(10) *Plans for Reclamation of the Surface.* The program for surface reclamation upon completion of the operation, such as configuration of the reshaped topography, drainage system, segregation of spoils materials, surface manipulations, waste disposal, revegetation methods, and soil treatments, plus other practices necessary to reclaim all disturbed areas, including any access roads or portions of well pads when no longer needed, shall be stated. An estimate of the time for commencement and completion of reclamation operations, dependent on weather conditions and other local uses of the area, shall be provided.

(11) *Surface Ownership.* The surface ownership (Federal, Indian, State or private) at the well location, and for all lands crossed by roads which are to be constructed or upgraded, shall be indicated. Where the surface of the well site is privately owned, the operator shall provide the name, address and telephone number of the surface owner, unless previously provided.

(12) *Other Information.* The lessee or operator is encouraged to submit any additional information that may be helpful in processing the application.

(13) *Lessee's or Operator's Representative and Certification.* The name, address and telephone number of the lessee's or operator's field representative shall be included. The lessee or operator submitting the APD shall certify as follows:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be

performed by _____ and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date _____
Name and Title _____

5. *Environmental Review Requirements.*

When an onsite inspection is conducted, it shall be made by representatives of the authorized officer and the operator, and other interested parties such as the involved SMA, the appropriate Alaska Borough (when a subsistence stipulation is part of the lease), and the operator's principal (construction and drilling) contractors. It is recommended that, when appropriate, the operator's surveyor and archeologist should also participate in the inspection. The purpose of this inspection shall be to ensure the staked location, access roads and other areas proposed for surface disturbance are geologically and environmentally acceptable, giving appropriate consideration to all applicable Federal laws and regulations. Lessees and operators are encouraged to designate their future drilling sites so that several locations may be inspected at one time.

a. *Federal Responsibilities.* When an inspection is made, the information obtained shall be utilized by BLM in appraising the environmental effects associated with the proposed action and in preparing pertinent portions of the required environmental documentation. As the approving agency, BLM has the lead responsibility for completing the environmental review process and establishing the terms and conditions under which the proposed action may be approved. The conduct of the environmental review process, under the Department of the Interior's implementing procedures pursuant to the National Environmental Policy Act, will result in the preparation of a Record of Review (ROR) and/or an EA, consistent with pertinent regulations and procedures. This review shall identify the probable and potential environmental impacts associated with the proposal and methods for mitigating these impacts and shall be the basis of the approving official's determination as to whether approval of the proposed activity would or would not constitute a major Federal action significantly affecting the quality of the human environment as defined by section 102(2)(C) of the National Environmental Policy Act of 1969. A "would constitute" determination shall necessitate the

preparation of an EIS. In that case, final action on the APD shall not be taken until the EIS and Record of Decision are completed.

b. *Other Considerations.* Lessees and operators are strongly encouraged to file their NOS and/or complete APD at least 30 days in advance of the time when they wish to commence operations and to consult with the involved SMA as early as possible to identify potential areas of concern (see sections III, E, and F.).

IV. *Subsequent Operations.* Subsequent operations shall be conducted in accordance with 43 CFR Part 3160, formerly 30 CFR 221. However, where the proposed subsequent operation will result in the well being converted for injection purposes (disposal or production enhancement), lessees and operators also shall obtain an underground injection permit from EPA or the State, where the State has achieved primacy. Any information submitted in support of obtaining that permit shall be accepted by the authorized officer of BLM to the extent that it satisfies the information submittal requirements of this Order.

A. *Well and Production Operations.* Before conducting further well operations that involve change in the original plan, a detailed written statement of the work shall be filed on Form 3160-5 or 3160-3, as appropriate, with the authorized officer and approval obtained before the work is started. These operations include redrilling, deepening, performing casing repairs, plugging-back, altering casing, performing nonroutine fracturing jobs, recompleting in a different interval, performing water shut-off, and converting to injection or disposal. Within 30 days of the completion of such operations, a subsequent report shall be filed on Form 3160-5 and, if the well is recompleted, a recompletion report on Form 3160-4, pursuant to 43 CFR 3162.3-2 and the information collection approval note, formerly 30 CFR 221.27 and 221.2-1.

Unless additional surface disturbance is involved and so long as the operations conform to the standard of prudent operating practice, no prior approval is required for routine fracturing or acidizing jobs, or recompletion in the same interval, but a subsequent report of these operations shall be filed on Form 3160-5, formerly 9-331, within 30 days of completion, pursuant to 43 CFR 3162-2.3 and the information collection approval note, formerly 30 CFR 221.27 and 221.2-1.

Neither prior approval nor a subsequent report is required for well

clean-out work, routine well maintenance (such as pump, rods, and tubing work), or for repair, replacement, or modification of surface production equipment, provided no additional surface disturbance is involved. However, the modification of any production, treating, and measurement facilities shall require the submission of a revised schematic diagram within 30 days of the completion of such operations, pursuant to 43 CFR 3162.7-2, formerly 30 CFR 221.34.

B. Surface Disturbing Operations.

Pursuant to 43 CFR 3162.3-2 and 3162.3-3, formerly 30 CFR 221.27 and 221.28, lessees and operators shall submit, for the approval of the authorized officer, a proposed plan of operations on Form 3160-5 prior to undertaking any subsequent new construction, reconstruction, or alteration of existing facilities including, but not limited to, roads, emergency pits, firewalls, flowlines, or other production facilities on any lease when additional surface disturbance will result. If, at the time the original APD was filed, the lessee or operator elected to defer submitting information for item III.G.4.b.(4), "Location of Existing and/or Proposed Facilities if Well is Productive," the lessee or operator shall supply this information for approval prior to construction and installation of the facilities. The authorized officer, in consultation with any other involved SMA, may require a field inspection before approving the proposal.

C. Emergency Repairs. Emergency repairs may be conducted without prior approval provided that the authorized officer is promptly notified. Sufficient information shall be submitted to permit a proper evaluation of any resultant surface disturbing activities as well as any planned accommodations necessary to mitigate potential adverse environmental effects.

D. Environmental Review. The environmental review procedures discussed in section III.G.5. of this Order shall also apply to subsequent operations which involve additional surface disturbance.

V. Well Abandonment. No well abandonment operations may be commenced without the prior approval of the authorized officer. In the case of newly drilled dry holes or failures and in emergency situations, oral approval may be obtained from the authorized officer subject to prompt written confirmation. For old wells not having an approved abandonment plan, a sketch showing the disturbed area and roads to be abandoned, along with the proposed reclamation measures, shall be submitted with Form 3160-5. On Federal and Indian surface, the appropriate SMA may request additional reclamation measures at abandonment, which normally shall be made a part of BLM's approval of abandonment. Within 30 days following completion of the well abandonment, the lessee or operator shall file with the authorized officer of BLM a Subsequent Report of Abandonment on Form 3160-5, in accordance with 43 CFR Part 3160, formerly 30 CFR Part 221. Upon completion of reclamation operations, the lessee or operator shall notify the authorized officer when the location is ready for inspection, via an additional Form 3160-5. Final abandonment shall not be approved until the surface reclamation work required by the approved drilling permit or approved abandonment notice has been completed to the satisfaction of the involved SMA.

VI. Water Well Conversion. The complete abandonment of a well which has encountered usable fresh water shall not be approved if the SMA or surface owner wants to acquire the well. If, at abandonment, the SMA or surface owner elects to assume further responsibility for the well, the SMA or surface owner, as appropriate, shall reimburse the lessee or operator for the cost of any recoverable casing or wellhead equipment which is to be left in or on the hole solely because it is to be completed as a water well. The lessee or operator shall abandon the well to the base of the deepest fresh water zone of interest, as required by the authorized officer, and shall complete the surface cleanup and

reclamation, as required by the approved drilling permit or approved abandonment notice, immediately upon completion of the conversion operations.

VII. Privately Owned Surface.—A. Federal oil and gas leases. Where the well site and access road surface are privately owned or are held in trust for Indian benefit, the lessee or operator is responsible for reaching an agreement with BIA or the private surface owner as to the requirements for the protection of surface resources and reclamation of disturbed areas and/or damages in lieu thereof. However, if the authorized officer or any other involved SMA determines that the surface of Federal or Indian-owned lands in proximity to the proposed well site or access road on private surface will be significantly affected, the lessee or operator may be required to furnish a copy of any existing agreement between the lessee or operator and the surface owner to the authorized officer. If the agreement on private surface is considered inadequate to protect the surface of adjacent Federal or Indian-owned lands, the authorized officer or other involved SMA may prescribe additional measures to protect the adjacent Federal or Indian lands. In the event there is no agreement between the surface owner and the operator, the operator may comply with the provisions of the law or the regulations governing the Federal or Indian right of reentry to the surface (See Subpart 3814 of this title) and the authorized officer may then proceed to issue the permit.

B. Indian oil and gas leases. Where the well site and access road surface are privately owned or are held in trust for an Indian or Indian tribe other than the owner of the oil and gas rights, the lessee or operator is responsible for reaching an agreement with the surface owner (or the BIA if the surface is held in trust for numerous or unlocatable Indian owners) as to the requirement for the protection of surface resources and reclamation of disturbed areas and/or damages in lieu thereof. However, if the authorized officer or any other involved SMA determines that the surface of

Federal or Indian-owned lands in proximity to the proposed well site or access road on private surface will be significantly affected, the lessee or operator may be required to furnish the authorized officer a copy of any existing agreement between the lessee or operator and the surface owner. If the agreement on private surface is considered inadequate to protect the surface of adjacent Federal or Indian-owned lands, the authorized officer or other involved SMA may prescribe additional measures to protect the adjacent Federal or Indian-owned lands. In the event there is no agreement between the surface owner and the operator, the authorized officer may permit the operator to conduct operations if he/she determines that: (1)

a good faith effort has been made by the operator to reach agreement with the surface owner; (2) adequate security is posted, in the form of a bond, escrow account or by other means, to compensate the surface owner for any damages; and (3) there is no legal obstacle to conducting operations in the absence of surface owner consent.

VIII. Reports and Activities Required After Well Completion. Within 30 days after the well completion, the lessee or operator shall furnish 2 copies of Form 3160-4, formerly 9-330 (Well Completion or Recompletion Report and Log) to the authorized officer. However, no later than the fifth business day after any well begins production anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well

that has been off production for more than 90 days, the lessee or operator shall notify the authorized officer of the date on which production has begun or resumed.

The notification may be provided orally if promptly confirmed in writing.

Dated: August 9, 1983.

Jeffrey F. Zabler,

Acting Assistant Director for Fluid Leasable Minerals.

Approved:

Dated: August 17, 1983.

Arnold E. Petty,

Acting Associate Director, Bureau of Land Management.

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